GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:267
ANSWERED ON:07.12.2000
REVIEW OF THE FUNCTIONING OF AAI IA AND AI
GADDE RAMAMOHAN;SHIVAJI MANE

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the functioning of Airports Authority of India, Air India and Indian Airlines was reviewed by the Government recently;

(b) if so, the findings of the review alongwith the response of the Government;

(c) the decision taken and the directions issued thereon; and

(d) the other decisions taken by the Government to streamline the functioning of AAI, IA and AI?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)
(a),(b),(c) & (d):- Monitoring/review of the functioning of all organisations under Ministry of Civil Aviation including Air India, Indian Airlines and Airports Authority of India is a continuous process. With a view to improve the performance/functioning of Air India, Indian Airlines and Airports Authority of India and to give a better service/product to the passengers/public, a number of decisions/measures have been taken which are at Annexure-I.
ANNEXURE-I
MAJOR DECISIONS/MEASURES TAKEN TO IMPROVE THE PERFORMANCE AND PRODUCT OF AIR INDIA, INDIAN AIRLINES & AIRPORTS AUTHORITY OF INDIA.
AIR INDIA:

(i) Disinvestment of 60% of the Government held equity in Air India, out of which 40% to a strategic partner, upto 10% to employees and the balance to financial institutions and/or on the share market.

(ii) Induction of additional Aircraft on dry lease basis for growth and rationalisation of fleet.

(iii) Initiation of various measures to bring about a turn-around in the company`s performance such as -
Route Rationalisation; Joint Ventures and Code Share arrangements with various international airlines; Product Upgradation and enhancement; Sale of non-performing assets; Reduction in Staff and other Costs; Marketing Initiatives; and Synergy with Indian Airlines etc.
INDIAN AIRLINES

(i) Disinvestment of 51% of the government held equity of which 26% to the strategic partner and the balance 25% to the employees, financial institutions and from public.

(ii) Acquisition of five B-737-200 and two A-320 aircraft on dry lease basis.

(iii) Initiation of various measures to further improve the performance of the Airline such as-
Increased utilization of aircraft; Deployment of capacity on the criteria of economics and traffic demand; Product upgrades and marketing initiatives; Cost cutting measures to reduce expenditure; Roll back of retirement age; and proposal to introduce Voluntary Retirement Scheme.
AIRPORTS AUTHORITY OF INDIA

(i) Development of four major international airports at Delhi, Mumbai, Chennai & Calcutta through long term leasing.

(ii) Construction of three new international airports at Bangalore, Hyderabad and Goa with major private sector participation.

(iii) Declaration of seven domestic airports viz. Bangalore, Hyderabad, Ahmedabad, Cochin, Goa, Amritsar & Guwahati as International airports.

(iv) Automation of Air Traffic Control facilities through introduction of Satellite based Communication, Navigation, Surveillance (CNS) and Modern Air Traffic Management Systems.